

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

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VARIOUS Districts

Section 222.053(a), Transportation Code, defines an "economically disadvantaged county" as a county that has, in comparison to other counties in the state: (1) below average per capita taxable property value; (2) below average per capita income; and (3) above average unemployment.

Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the political subdivision's effort and ability to meet the requirement.

Section 222.053(e) further directs the commission to report annually to the governor, the lieutenant governor, and the speaker of the house of representatives on the use of matching funds and local incentives and the ability of the commission to ensure that political subdivisions located in economically disadvantaged counties have equal ability to compete for highway funding with political subdivisions in counties that are not economically disadvantaged.

The Texas Department of Transportation has completed the Fiscal Year 2014 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED that the Fiscal Year 2014 Annual Report on the Economically Disadvantaged Counties Program, as shown in Exhibit A, is approved by the commission and shall be presented to the governor, the lieutenant governor, and the speaker of the house of representatives as required by Section 222.053(e), Transportation Code.

Submitted and reviewed by:

James W. Koch, P.E.
Director, Transportation Planning
and Programming Division

[Signature]
Executive Director

114222 FEB 26 15

Minute Number Date Passed

EXHIBIT A



Economically Disadvantaged Counties Program

Relief from Local Match Requirements

Fiscal Year 2014 Annual Report
Transportation Planning and Programming Division

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Background

The Fiscal Year (FY) 2014 Annual Report is the sixteenth annual report for the Economically Disadvantaged Counties Program (EDCP) administered by the Texas Department of Transportation (TxDOT).

The EDCP was enacted in 1997 by the 75th Texas Legislature (Senate Bill 370; Transportation Code § 222.053). The Texas Transportation Commission (commission) is required to adjust the minimum local matching funds requirement for proposed highway improvement projects in an economically disadvantaged county after evaluating the local government's effort and ability to meet the requirement.

An economically disadvantaged county is a county that, in comparison to other counties in the state, has:

- **below** average per capita taxable property value,
- **below** average per capita income, **and**
- **above** average unemployment.

TxDOT annually identifies the counties that meet **all three** of the above criteria derived from data obtained from the Texas Comptroller of Public Accounts (comptroller). These counties may participate in the program during the fiscal year in which they are determined eligible. Since the list is updated every fiscal year, a county's eligibility may change from year to year.

The EDCP was revised by the 79th Legislature in 2005 to require the commission to certify a county as economically disadvantaged on an annual basis as soon as possible after the comptroller reports on the economic indicators listed above. In addition, the amendments stipulated that the commission was required to determine whether to make an adjustment at the time the local government submits a proposal for a project. Finally, the commission was permitted to delegate any of its powers under Transportation Code, §222.053, to the department's executive director or the director's designee.

The Executive Director issued a memo dated March 1, 2006, to all TxDOT district engineers granting them the authority to adjust the minimum local matching funds requirements for any eligible projects components on an as needed basis, allowing counties to submit projects at any time during their participation in the program.

The relief to the local match requirement an entity will receive is based on a formula. Through the formula, an adjustment percentage was determined for each county, which is meant to be a surrogate measure of the county's *effort* and *ability* to provide the local match; this was stipulated in the legislation itself.

The county's *effort* was measured by looking at the degree to which the county had already raised revenues either through property taxes or the county road and bridge fee.

The county's *ability* was measured by looking at the county's per capita income and per capita property values. Additional adjustment percentage points were given based on the county's tax debt per capita.

Cities may receive higher percent adjustments beyond their respective county's adjustment under two conditions: if they have a local economic development sales tax and their population is less than 5,000. At the commission's direction, the adjustment cannot exceed 95 percent or be less than 15 percent.

2014 Eligible Counties

Based on Calendar Year 2011 data obtained from the comptroller, 77 counties were eligible for the program in FY 2014. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2014.

Anderson	Cherokee	Grimes	Lamar	Newton	Trinity
Angelina	Concho	Hall	Leon	Presidio	Tyler
Atascosa	Crosby	Henderson	Liberty	Rains	Uvalde
Bastrop	Dawson	Hidalgo	Madison	Red River	Val Verde
Bee	Delta	Hill	Marion	Reeves	Walker
Bosque	Dickens	Houston	Matagorda	Runnels	Waller
Bowie	Duval	Hunt	Maverick	Sabine	Webb
Brooks	El Paso	Jasper	McLennan	San Augustine	Wharton
Caldwell	Ellis	Johnson	Medina	San Jacinto	Willacy
Calhoun	Falls	Jones	Milam	San Saba	Wood
Cameron	Fannin	Karnes	Mitchell	Shelby	Zapata
Camp	Floyd	Kaufman	Morris	Starr	Zavala
Cass	Grayson	Kinney	Navarro	Titus	

During FY 2014, local governments submitted applications to the district office for approval of adjustment on 51 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$5,675,934.

Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In December 2013, the department sent written notices to county judges and state representatives in economically disadvantaged counties regarding the respective county's eligibility status. A program notebook was compiled and distributed to TxDOT's district offices. Additionally, program information was made available to TxDOT districts via the Intranet site *Crossroad*.

FY 2014 Commission and Department Actions

By Minute Order 113723 dated September 26, 2013 the commission certified the FY 2014 list of eligible counties and the local match adjustment for each county. The Appendix contains a list of the projects approved by the district engineers for the FY 2014 program.

Summary

For FY 2014, TxDOT district engineers granted adjustments on 51 projects in 18 counties. These local entities have saved an estimated \$5,675,934.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 900 projects in economically disadvantaged counties for an estimated savings to local governments of \$66,765,283.

Table 2. EDCP Year-to-Date Total

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Savings	\$988,316	\$ 9,946,204	\$ 5,482,366	\$ 5,558,580	\$ 834,296	\$ 2,194,309
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Savings	\$ 4,556,098	\$3,249,069	\$2,797,536	\$1,743,101	\$6,755,645	\$3,239,132
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	
Savings	\$2,420,245	\$3,400,304	\$1,671,700	\$6,252,448	\$5,675,934	
					Total	\$66,765,283

The EDCP enables TxDOT to work with local governments to fulfil the department's mission - "Work with others to provide safe and reliable transportation solutions for Texas."

APPENDIX

Table A-1.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Anderson	Anderson County	0910-08-040	Preliminary Engineering Construction	\$ 25,389
Anderson	Anderson County	0910-08-065	Preliminary Engineering Construction	\$ 27,027
Anderson	Anderson County	0910-08-066	Preliminary Engineering Construction	\$ 25,389
Anderson	Anderson County	0910-08-067	Preliminary Engineering Construction	\$ 28,665
Anderson	Anderson County	0910-08-068	Preliminary Engineering Construction	\$ 33,579
Anderson	Anderson County	0910-08-069	Preliminary Engineering Construction	\$ 31,532
Cameron	Cameron County	0921-06-241	Preliminary Engineering Construction	\$ 723,770
Cameron	Cameron County	0921-06-252	Preliminary Engineering Construction	\$ 287,108
Dawson	City of Lamesa	0905-32-006	Right of Way or Utilities	\$ 159,620
Dawson	Dawson County	0905-32-006	Right of Way or Utilities	\$ 146,952

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Delta	Delta County	0901-31-121	Preliminary Engineering Construction	\$ 14,655
Delta	Delta County	0901-31-121	Preliminary Engineering Construction	\$ 14,655
Falls	Falls County	0909-38-074	Preliminary Engineering Construction	\$ 28,958
Falls	Falls County	0909-38-075	Preliminary Engineering Construction	\$ 29,915
Falls	Falls County	0909-38-072	Preliminary Engineering Construction	\$ 32,066
Falls	Falls County	0909-38-073	Preliminary Engineering Construction	\$ 27,922
Falls	Falls County	0909-38-052	Preliminary Engineering Construction	\$ 27,977
Grimes	City of Navasota	0917-17-070	Preliminary Engineering Construction	\$ 10,693
Henderson	City of Murchison	0910-34-028	Preliminary Engineering Construction	\$ 15,026
Hidalgo	City of McAllen	0921-02-303	Preliminary Engineering Construction	\$ 1,316,000
Hidalgo	City of Penitas	0039-17-131	Right of Way or Utilities	\$ 822,558

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings	
Hidalgo	Hidalgo County	1803-02-028	Right of Way or Utilities	\$	70,310
Hidalgo	Hidalgo County	0921-02-304	Preliminary Engineering Construction	\$	49,173
Hidalgo	Hidalgo County	1803-01-092	Right of Way or Utilities	\$	56,333
Hidalgo	Hidalgo County	0921-02-289	Preliminary Engineering Construction	\$	450,716
Hidalgo	Hidalgo County	0921-02-311	Preliminary Engineering Construction	\$	143,287
Hidalgo	City of Edinburg	0921-02-305	Preliminary Engineering Construction	\$	79,430
Hidalgo	City of Edinburg	0342-01-074	Right of Way or Utilities	\$	1,701
Houston	City of Kennard	0336-01-066	Right of Way or Utilities	\$	590
Lamar	City of Roxton	0901-29-056	Preliminary Engineering Construction	\$	19,033
Lamar	Lamar County	0901-29-065	Preliminary Engineering Construction	\$	11,927
Lamar	Lamar County	0901-29-077	Preliminary Engineering Construction	\$	5,963

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Lamar	Lamar County	0901-29-078	Preliminary Engineering Construction	\$ 7,454
Lamar	Lamar County	0901-29-083	Preliminary Engineering Construction	\$ 7,454
Lamar	Lamar County	0901-29-082	Preliminary Engineering Construction	\$ 7,454
Lamar	Lamar County	0901-29-081	Preliminary Engineering Construction	\$ 10,436
Lamar	Lamar County	0901-29-080	Preliminary Engineering Construction	\$ 5,963
Leon	Leon County	0917-16-034	Preliminary Engineering Construction	\$ 11,365
Madison	Madison County	0917-31-015	Preliminary Engineering Construction	\$ 25,219
Milam	Milam County	0917-12-082	Preliminary Engineering Construction	\$ 35,138
McLennan	McLennan County	0909-22-167	Preliminary Engineering Construction	\$ 18,015
McLennan	McLennan County	0909-22-167	Preliminary Engineering Construction	\$ 23,850

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Red River	Red River County	0901-27-045	Preliminary Engineering Construction	\$ 12,942
Runnels	Runnels County	0907-13-011	Preliminary Engineering Construction	\$ 35,200
Runnels	Runnels County	0907-13-012	Preliminary Engineering Construction	\$ 14,861
Runnels	Runnels County	0907-13-013	Preliminary Engineering Construction	\$ 36,877
Runnels	Runnels County	0907-13-014	Preliminary Engineering Construction	\$ 20,128
Runnels	Runnels County	0907-13-015	Preliminary Engineering Construction	\$ 16,768
Runnels	Runnels County	0907-13-016	Preliminary Engineering Construction	\$ 23,456
Starr	Starr County	1103-04-027	Right of Way or Utilities	\$ 51,977
Starr	Rio Grande City	1103-04-027	Right of Way or Utilities	\$ 76,214
Web	City of Laredo	0089-14-056	Right of Way or Utilities	\$ 517,301
			TOTAL SAVINGS	\$ 5,675,934